

# Are the Packers Profiteers?

## Plain Facts About the Meat Business

The Federal Trade Commission in its recent report on war profits, stated that the five large meat packers have been profiteering and that they have a monopoly of the market.

These conclusions, if fair and just, are matters of serious concern not only to those engaged in the meat packing business but to every other citizen of our country.

The figures given on profits are misleading and the statement that the packers have a monopoly is unsupported by the facts.

The packers mentioned in the report stand ready to prove their profits reasonable and necessary.

The meat business is one of the largest American industries. Any citizen who would familiarize himself with its details must be prepared for large totals.

The report states that the aggregate profits of four large packers were \$140,000,000 for the three war years.

This sum is compared with \$19,000,000 as the average annual profit for the three years before the war, making it appear that the war profit was \$121,000,000 greater than the pre-war profit.

This compares a three-year profit with a one-year profit—a manifestly unfair method of comparison. It is not only misleading, but the Federal Trade Commission apparently has made a mistake in the figures themselves.

The aggregate three-year profit of \$140,000,000 was earned on sales of over four and a half billion dollars. It means about three cents on each dollar of sales—or a mere fraction of a cent per pound of product.

Packers' profits are a negligible factor in prices of live stock and meats. No other large business is conducted upon such small margins of profit.

Furthermore—and this is very important—only a small portion of this profit has been paid in dividends. The balance has been put back into the businesses. It had to be, as you realize when you consider the problems the packers have had to solve—and solve quickly—during these war years.

To conduct this business in war times, with higher costs and the necessity of paying two or three times the former prices for live stock, has required the use of two or three times the ordinary amount of working capital. The additional profit makes only a fair return on this, and as

has been stated, the larger portion of the profits earned has been used to finance huge stocks of goods and to provide additions and improvements made necessary by the enormous demands of our army and navy and the Allies.

If you are a business man you will appreciate the significance of these facts. If you are unacquainted with business, talk this matter over with some business acquaintance—with your banker, say—and ask him to compare profits of the packing industry with those of any other large industry at the present time.

No evidence is offered by the Federal Trade Commission in support of the statement that the large packers have a monopoly. The Commission's own report shows the large number and importance of other packers.

The packers mentioned in the statement stand ready to prove to any fair minded person that they are in keen competition with each other, and that they have no power to manipulate prices.

If this were not true they would not dare to make this positive statement.

Furthermore, government figures show that the five large packers mentioned in the report account for only about one-third of the meat business of the country.

They wish it were possible to interest you in the details of their business. Of how, for instance, they can sell dressed beef for less than the cost of the live animal, owing to utilization of by-products, and of the wonderful story of the methods of distribution throughout this broad land, as well as in other countries.

The five packers mentioned feel justified in co-operating with each other to the extent of together presenting this public statement.

They have been able to do a big job for your government in its time of need; they have met all war time demands promptly and completely and they are willing to trust their case to the fairmindedness of the American people with the facts before them.

**Armour and Company  
Cudahy Packing Co.  
Morris & Company  
Swift & Company  
Wilson & Company**

### ALLEGED PRO-GERMANS ARRESTED AT COVINGTON.

COVINGTON, KY., July 8.—A group of prominent Kentuckians, living in and near Latonia, were summoned into court early Thursday by Covington police and members of the Citizens' Patriotic league. The men, including several widely known business men, went to Covington police headquarters and remained there until a special "Court of Inquiry" was opened by Judge Read.

Henry Feltman, tobacco dealer, Taylor Mill road, near Latonia, Ky. C. B. Schoberg, former magistrate of Latonia, shoemaker.

J. Henry Kruse, secretary and treasurer of Bavarian Brewing company, residence, 3625 Park Avenue, Latonia.

Jake Momborg, tailor, 3907 Huntington Avenue, Latonia.

put in form to be presented to the "Court of Inquiry." The Citizens' Patriotic league of Covington, through Commonwealth Attorney Blakely, had been making the investigations in Latonia for four months, Mr. Blakely said.

The following, according to the evidence submitted at the Court of Inquiry in Covington, are extracts from the dictagraph records of conversations at meetings in the Schoberg shoe store. The names of the men supposed to have uttered the statements were given in the record.

"Germany knows more about war in a minute than the United States can ever know. The United States is worn out."

"If Germany is successful in getting the territory they are after, then the U. S. had better look out."

"American will be another Rumania. The U. S. is not training their men enough; they are just making more cannon fodder."

"I see where they have sunk three ships that the U. S. sent over."

"The Germans are giving the Allies an introduction to the fighting game; look out for hell from now on."

"We will show these d— fools over here something."

"I hope the Germans tear through France like they did in Belgium, then they will be in a position to control the seaports and give America hell."

"Germany is going through like a streak. Things look rosy all 'round."

"I knew about the rotten condi-

tion in cantonments, but have to keep my mouth shut if I don't want to go to jail."

"It is all right to sink transports coming back, but what we want is to sink them going over and kill ever d— one of them."

(Speaking of a German general): "He licked the Russians and will lick the English, French and Americans."

### SOLDIERS AND SAILORS CAN NOW GIVE LOCATION.

American soldiers and officers stationed at posts behind the front may reveal the secrets of their whereabouts to friends and relatives at home, according to a new ruling of the army authorities. They may indicate freely that they are at Tours, or at other behind-the-line posts and may receive their mail so addressed.

It is still forbidden, however, to send to America, or anywhere else for that matter, any picture postcards of the places where the troops are stationed. The base censor does not feel like taking a chance on sending out photographs that might come into German hands.

The accused men were placed under arrest on Federal warrants following their arraignment in the court of inquiry. The same court room then became a United States tribunal and Federal Commissioner M. B. Bell succeeded Judge Read on the bench. The eight men pleaded not guilty to the charge and preliminary hearing was set for Friday, July 12.

They were required to execute bond in the sum of \$15,000 each, except Herman Rawe, who was released on his own recognizance, testimony having shown that Rawe, who is very deaf and advanced in years, had stoutly defended the Red Cross when it was attacked by a man in Schoberg's store.

CHAMBERLAIN'S TABLETS.

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(adv-july)

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